the liabilities and expenses on a particular day. A below par NAV indicates that the value of assets of the scheme has depreciated below its cost of acquisition. The NAV changes in accordance with changes in the value of the underlying assets.

(c) and (d) UTI has recorded Rs. 52.25 crore worth of sales and Rs. 12.87 crore worth of repurchases at NAV related prices up to January 31, 2002. UTI, with financial support from Government of India, has delcared a special repurchase package enabling existing investors to redeem up to 5000 units per unit holder at predetermined, progressively increasing prices upto May, 2003. This package covers 99 per cent unit holding accounts of US-64. Further, UTI has also offered to repurchase units at an assured price of Rs. *W-* for units not covered under the special package on 31st May, 2003.

High Rate of Inflation

39. PROF. M.M. AGARWAL: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the rate of inflation has gone up during the last one year; and

(b) if so, the details of the steps being taken or proposed to be taken by Government to bring the inflation rate down and to control the increase in prices of essential commodities?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) No Sir. The inflation rate based on wholesale price index had reached a low level of 1.13 per cent at the end of January, 2002. This is the lowest recorded in the past twenty years. Even for the group of 30 essential commodities taken together, the actual price rise (inflation) at the end of January, 2002 was only 1.9 per cent.

(b) Government's supply side policies have been very effective in keeping in check the price rise in most of the essential commodities. Open market sale of foodgrains out of the large accumulated food stocks have kept the market price of food items under control. Besides, raising of the monthly quota supplied under TPDS to BPL

families from 10 kgs to 25 kgs has also helped reduce the pressure on food prices in the market.

Cheating by Co-opetative Banks in Gujarat

40. SHRI BRAHMAKUMAR BHATT: Will the Minister of FINANCE be pleased to state:

(a) whether Government are aware that General Co-operative Bank Ltd., Ahmedabad, Urban Co-operative Bank, Baroda; People's Co-operative Bank and Charotar Nagrik Co-operative Bank in Gujarat - have reached the situation of defaults;

(b) if so, the reasons for deterioration of their financial position due to which these banks have reached the stage of default;

(c) whether R.B.I, has called for their annual audit report; and

(d) if so, the action taken/likely to be taken against them?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) Reserve Bank of India (RBI) has reported that all the four banks, *viz.* General Cooperative Bank Ltd., Ahmedabad, The Charotar Nagrtik Sahakari Bank Ltd., Anand, the Baroda Peoples' Co-operative Blank Ltd., Baroda and the Ahmedabad Urban Co-operative Bank Ltd., Ahmedabad were involved in inssuance of Letter of Credit (L/Cs) of fraudulent nature which *inter-alia* led to deterioration in their financial position. The other important deficiencies, which led to their unsatisfactory financial position, were observed as under:—

In all these banks the overall functioning of their Boards was unsatisfactory and they did not evince keen interest in the management of the banks by evolving broad policies and providing overall direction. The Board did not review several important areas of the working of the bank.

The banks had not been following proper accounting practices and have been taking into its income, unrealized interest on NPAs.

The Boards had not managed liquidity position of the banks in a